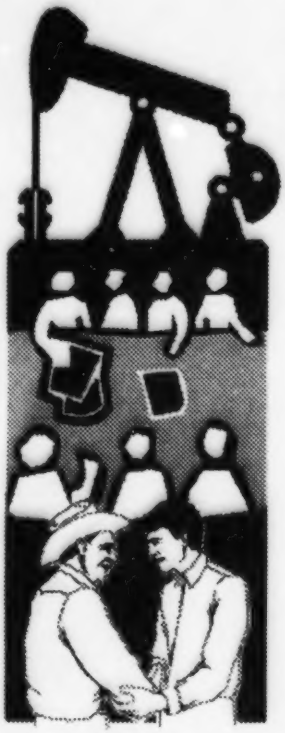
EUB Alberta Energy and Utilities Board



GUIDE 62

# Responding to Public Concerns about Oil and Gas in Alberta

**November 1999**

*About This Guide*

*The Alberta Energy and Utilities Board's (EUB) regulatory role puts us in a unique position to hear and deal with public concerns about oil and gas operations in this province. This information summarizes concerns and what is being done about them.*

*The purpose of this guide is to improve public awareness of the many existing and new ways to promote resolution of issues between landowners and the petroleum industry. The EUB encourages companies and residents to take full advantage of these measures.*

*This guide is best viewed on the EUB Web site http://www.eub.gov.ab.ca as the electronic version has direct links to other supporting documents. If you do not have access to the Internet, paper copies of EUB materials are available from EUB Information Services.*

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## 1 How the EUB Responds to Public Complaints

We encourage residents with concerns about new or existing oil and gas developments and facilities to contact the operating company first. Our experience suggests direct contact with the company results in

faster responses, the resolution of many issues, and better industry-public relations. Most companies are good neighbours and work well with landowners.

If the company doesn't respond appropriately or if you don't want to call it first, phone the nearest EUB field centre, all of which provide 24-hour on-call service. There are eight field centres across the province whose inspectors are available to respond to and investigate all public complaints on a priority basis. The most common complaints relate to odours, public safety issues, flaring, smoke, noise, and spills.

Complaints outside our jurisdiction are forwarded to the appropriate agency. These include Alberta Environment (AENV), Alberta Agriculture, Alberta Food and Rural Development (AFRD), regional health authorities, local municipalities, and the RCMP. It's important to know that the EUB does not handle compensation disagreements; these are referred to the Surface Rights Board.

The EUB also supports and participates in the formation of community advisory groups. These groups provide citizens with an ongoing forum for raising concerns about future development plans and specific facilities operated by a number of companies in a larger region.

For more information

- EUB *Guide 17-2: Well Site Selection and the Surface Owner*
- EUB *Guide 17-3: Pipeline and Surface Rights-A Guide for Landowners and Occupants*
- EUB *Guide 38A: Dealing with Energy Industry Noise*
- EUB *Guide 50-1: A Landowner's Guide to Drilling Waste Disposal from Oil and Gas Wells*
- AFRD brochure "Negotiating Surface Rights"

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## 2 Expectations for Public Notification and Consultation

The EUB believes everyone--landowners, communities, local governments, interest groups, and companies--must work together in an open and honest manner from the beginning of a project's development to ensure good relations throughout the life of an energy project.

When considering new facility applications, the EUB is obliged by law to treat all parties fairly. For example, people affected by a project are entitled to know what is being proposed and to have their concerns addressed. Consultation must take place before a company files an application with us, preferably before the final location of a facility or pipeline route is decided. Of the thousands of applications we receive every year, most are approved routinely because they meet all site and environmental requirements, public concerns have been resolved, and landowners and adjacent residents have agreed to the location. If concerns are not resolved, our staff review the application in greater detail and do not grant approval until all issues under our jurisdiction are addressed.

The first stage of public consultation is often a notification process. Companies must identify and contact those who may be directly affected by the project. The EUB has guidelines for notifying people who own or occupy land affected by wells, pipelines, and oil and gas facilities. This process is used to confirm that landowners are aware of and agree to a proposed project. The company must include this information in its application.

However, public consultation often has wider community implications. Although each application is unique, the EUB expects companies, at a minimum, to

- communicate with people as early as possible to ensure that special sensitivities are addressed during project planning,
- provide full disclosure and consistent, factual information about the project and its impacts to allow for meaningful public input into decisions,
- discuss the potential scope of the project and how it relates to other nearby development,
- for sour gas projects, communicate with residents within an emergency planning zone during early project preparations,
- inform people about land-use restrictions that may occur because of sour gas setback requirements, and
- provide information about the regulatory process and how people can participate.

The EUB expects industry to use the *Guide for Effective Public Involvement*, published by the Canadian Association of Petroleum Producers (CAPP). This guide sets out good industry practices for responsible community involvement in resource exploration and development. To receive a copy of the guide, call CAPP directly at (403) 267-1100.

For more information

- EUB *Informational Letter 89-4: Public Involvement in the Development of Energy Resources*
- EUB *Guide 56: Energy Development Application Guide and Schedules*, Appendix 1, Section 1, "Public Involvement Guidelines"
- EUB *Informational Letter 93-9: Oil and Gas Developments-Eastern Slopes*

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## 3 New Options to Resolve Landowner-Industry Disputes

**Facilitation can help**

The EUB is responding to heightened public concern in new ways. For example, we are strengthening our practice of making staff available to facilitate early discussions between landowners and companies for new oil and gas wells and facilities. The goal is to identify and promote resolution of conflicts before they intensify.

Although not yet required, we are also looking at other dispute resolution tools such as company-sponsored consultation or negotiation and third-party mediation. The EUB encourages senior company officials to meet with those affected during mediation. If appropriate, the EUB will also make senior technical staff or, occasionally, a Board Member available to facilitate landowner-applicant discussions. Even if these efforts do not resolve all issues, they may narrow the scope of matters that could be considered at a hearing.

When objections or concerns cannot be resolved, an EUB hearing may be required. Hearings meet the EUB's fairness requirement by providing all parties affected by an application with the opportunity to have their concerns considered.

For more information

- EUB *Guide 29: Hearings*
- EUB *Guide 31: Guidelines Respecting Applications for Local Interveners' Costs Awards*

**New directions for surveillance and enforcement**
The EUB has been criticized for reducing field staff and inspections in recent years. However, we remain committed to our surveillance and inspection role. With major resources dedicated to this area, we can better ensure that companies comply with our requirements and respond appropriately to landowner concerns.

Despite resource constraints in the early to mid-'90s, the EUB's development of modern inspection and enforcement methods has let us work more efficiently. Take rig inspections, for example. We now assess an operator's history, evaluate site sensitivity, and identify risks, such as the presence of sour gas. This helps us target our inspections and is more effective than doing them on a random or quota basis.

Landowners can be assured that we will act firmly and fairly when an operator breaks the rules. We have recently improved our enforcement by establishing a system of escalating consequences for minor, major, and serious noncompliance events. Our actions always include deadlines for fixing a problem and may be reinforced by penalties, such as temporary or long-term suspension of operations, closure or refusal of applications, and even prosecution.

For more information

- EUB *Informational Letter 99-04: EUB Enforcement Process, Generic Enforcement Ladder, and Field Surveillance Enforcement Ladder*

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## 4 Soil and Water Quality Concerns

The EUB is aware of public concerns related to soil and water contamination from oil and gas activity, although they are often not within our jurisdiction. We require petroleum facilities to be designed and operated to prevent spills and minimize the risk of contamination. When spills occur, we expect companies to clean them up quickly. If they need extra help, an extensive network of oil spill cooperatives is equipped to respond quickly anywhere in Alberta.

To deal with soil and water concerns, we advise you to contact the operating company and the appropriate government department. EUB field staff can help you make these contacts and are in regular contact with Alberta Environment (AENV).

**Soil contamination**
Through a mutual agreement, the EUB and AENV share similar but distinct responsibilities for soil contamination. The EUB looks after problems related to initial containment and cleanup of spills of unrefined petroleum products; AENV deals with soil contamination resulting from these spills. Depending on the nature of the complaint, you should contact the company, the EUB, or AENV. If you're not sure whom to call, EUB field staff can refer you to the right agency.

**Water well or water quality concerns**
AENV also has responsibility for water well contamination concerns. Landowner calls to the EUB are

directed to AENV for initial investigation. If AENV officials suspect oil and gas industry activity has caused contamination, the EUB participates in the investigation and efforts to resolve the matter.

Concerns about possible contamination of water wells should be directed to the Water Management Division of AENV at (780) 449-3463.

For more information, see AENV's Web site for a complete list of contacts at http://www.gov.ab.ca/env

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## 5 Flaring

Flaring has become a prominent source of public concern related to human and animal health. Many groups are working to improve this situation.

**Solution gas flaring**
Solution gas is a by-product of oil production. The EUB has long required operators to recover solution gas if it is economic to do so. As a result, Alberta conserves about 94 per cent of all solution gas produced. The rest is typically treated as a waste stream and flared.

In July 1999, the EUB released a new flaring guide (Guide 60) based on recommendations of the Clean Air Strategic Alliance (CASA), a multistakeholder group of public representatives, special-interest groups, industry, and government departments and agencies. The aim is to reduce upstream solution gas flaring by 15 per cent from 1996 levels by the end of 2000. This will increase to a 25-per-cent reduction by 2001. These targets are firm, and we are implementing regulatory measures to ensure industry compliance. Future CASA targets will be re-evaluated in 2001.

**Well test flaring**
EUB records show that most flaring from well testing occurs during initial tests to determine a well's capability. The EUB is committed to minimizing volumes flared during well tests. For example, Guide 40 promotes reducing or eliminating well test flaring where possible. Options include in-line testing through a pipeline to a processing facility, which eliminates flaring. While not all cases allow for this, we encourage companies to use in-line testing where it is safe and feasible.

As of January 1, 2000, EUB *Guide 60* requires a company to have various approvals before well test flaring can take place. Depending on the circumstances, these can include special permits, EUB approval for higher flare volumes, and notification of nearby residents and communities. EUB field centres must also be notified at least 24 hours before the test.

For more information

- EUB *Guide 60: Upstream Petroleum Industry Flaring Guide*
- EUB *Guide 40: Pressure and Deliverability Testing Oil and Gas Wells*
- EUB News Release 1999-07-09: "EUB adopts new upstream petroleum industry flaring *Guide 60*" (includes backgrounder on flaring)

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## 6 Animal Health

An agreement involving five agencies--the EUB, AFRD, AENV, the Alberta Cattle Commission, and CAPP--established new guidelines for dealing more effectively with animal health issues between the agricultural community and the petroleum industry. The key piece is a protocol for investigating animal health incidents using a qualified, independent veterinarian known as the Animal Health Investigator.

The agreement details the primary roles, responsibilities, and expectations of the five agencies and associations, the Animal Health Investigator, the oil and gas facility operator, and the livestock owner. For example, if there is a suspected problem, livestock owners should keep animals away from areas of concern. They should contact their own veterinarian, call the EUB to start the investigation process, and work with other agencies to provide access to land, livestock, and records. Farmers and ranchers would be well served to keep a diary and take photos, if required.

Although the agreement is still in draft form and subject to minor revision, the agricultural community has been using the services of the Animal Health Investigator since September 1998. The EUB urges people to continue this practice. If you have an animal health-related concern, contact the EUB field centre nearest to you.

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## 7 More Information

Note that except for major guides, most EUB documents listed in this brochure are available free of charge to individuals at either

- **EUB Web site: http://www.eub.gov.ab.ca**
- The EUB's Web site contains an up-to-date catalogue of all EUB publications, maps, and services, as well as an extensive document repository.

  To access the document repository once you are in the EUB Homepage, click on the "Access Docs" icon. This will give you lists of the many documents such as Acts and Regulations, decisions, guides, reports, news releases, and more that are available directly from the Web site. This brochure is listed as Guide 62, and all additional reading materials referenced here are linked electronically for your convenience.

- **EUB Information Services**
  640 - 5 Avenue SW, main floor
  Calgary, Alberta T2P 3G4
  Tel: (403) 297-8190*

**Additional reading material**
The following documents are available at no cost from EUB Information Services or via the EUB Web site.

- **General information about the EUB**
  - *Guide 57-1a: The EUB and Energy Regulation*
  - *ST 99-40: Alberta's Energy Resources 1998 in Review*

- *ST 99-41: Regulatory Highlights for 1998*

- **EUB contacts**

**Calgary Office**
640 - 5 Avenue SW
Calgary, Alberta T2P 3G4
Main switchboard: (403) 297-8311*
Communications: (403) 297-4601*

- **EUB field centres (24-hour on-call)**

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|---|---|
| Bonnyville | (780) 826-5352* |
| Calgary | (403) 297-8303* |
| Drayton Valley | (780) 542-5182* |
| Grande Prairie | (780) 538-5138* |
| Medicine Hat | (403) 527-3385* |
| Red Deer | (403) 340-5454* |
| St. Albert | (780) 460-3800* |
| Wainwright | (780) 842-7570* |

* All phone numbers referenced in this publication are part of the provincial government's RITEdirect telephone system. RITEdirect is a toll-free, long-distance service that public callers can use to reach Alberta Government offices. Anyone outside Calgary wishing to call toll free should dial 310-0000 and then enter the seven-digit local number to connect or press zero and hold for a RITE operator.

November 1999 edition

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